

## Internal Revenue Service

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Department of the Treasury  
Washington, DC 20224

Third Party Communication: None  
Date of Communication: Not Applicable

Person To Contact:  
, ID No.

Telephone Number:

Refer Reply To:  
CC:PSI:02  
PLR-147704-12

Date:  
April 11, 2013

### LEGEND

X =

A =

Year =

Date =

State =

Dear :

This letter responds to your letter dated October 29, 2012 requesting relief under § 1362(b)(5) of the Internal Revenue Code regarding X's late S corporation election.

The information submitted states that X was incorporated in Year under the laws of State. A, the sole shareholder of X, intended for X to be an S corporation for federal tax purposes effective Date; however, X failed to timely file Form 2553, Election by a Small Business Corporation.

Section 1362(a) provides that a small business corporation may elect to be an S Corporation.

Section 1362(b) provides the rule on when an S election will be effective. Section 1362(b)(2) provides that if an S election is made within the first two and one-half

months of a corporation's taxable year, then the corporation will be treated as an S Corporation beginning in the year for which the election is made.

Section 1362(b)(5) provides that if no § 1362(a) election is made for any taxable year, and the Secretary determines that there was reasonable cause for the failure to timely make the election, then the Secretary may treat the election as timely made for such taxable year.

Based solely on the information submitted and representations made, we conclude that X has established reasonable cause for failing to make a timely election to be an S corporation effective Date 1. Accordingly, if X makes an election to be an S corporation by filing a properly completed Form 2553 with the appropriate service center effective Date 1 within 120 days following the date of this letter, then such election will be treated as timely made. A copy of this letter should be attached to Form 2553 and is enclosed for that purpose. In addition, this ruling is contingent on X and A filing, within 120 days following the date of this letter, any original or amended federal income tax returns necessary to be consistent with the treatment of X as an S Corporation for each of the tax years affected by this letter. A copy of this letter should be attached to each return.

Except as expressly provided herein, we neither express nor imply any opinion concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. Specifically, we neither express nor imply any opinion concerning whether X is an S corporation for federal tax purposes.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent. In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative. The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

Bradford R. Poston  
Senior Counsel, Branch 2  
(Passthroughs & Special Industries)

Enclosures (2)

Copy of this letter

Copy for § 6110 purposes